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DUANE, MORRIS & HECKSCHER

ATTORNEYS AT LAW

305 NORTH FRONT STREET
HARRISBURG, PA 17108-1003
(717) 237-5500

968 POSTAL ROAD
ALLENTOWN, PA 18103-9390
(610) 266-3650

ONE LIBERTY PLACE
PHILADELPHIA, PA 19103-7396
(215) 979-1000

FAX
(215) 979-1020

735 CHESTERBROOK BOULEVARD
WAYNE, PA 19087
(610) 647-3555

1201 MARKET STREET
WILMINGTON, DE 19801
(302) 571-5550

8000 SAGEMORE DRIVE
MARLTON, NJ 08053
(609) 988-3100

DIRECT DIAL: 979-1825

March 4, 1994

HAND DELIVERY

Linda R. Dietz (3HW 24)
Remedial Project Manager
U.S. Environmental Protection Agency
841 Chestnut Building
Philadelphia, PA 19107

**RE: Occidental Chemical Corporation, Pottstown
Facility Superfund Site**

Dear Linda:

On behalf of Occidental Chemical Corporation ("Occidental"), I am responding to the Special Notice letter dated December 28, 1993 from Abraham Ferdas and addressed to Steven Schaefer, Executive Vice President of Occidental. Occidental received the Special Notice letter on January 6, 1994.

Occidental responds to the items enumerated on page 2 of the Special Notice Letter as follows:

1. Occidental is currently in negotiations with PRPs Bridgestone/Firestone Inc. and the United States for the purpose of dividing among us the responsibility for the remedial design and remedial action ("RD/RA"). While it is difficult to predict the outcome of the negotiations, it appears at this time that all three PRPs may share in the cost of the RD/RA. If negotiations are successful, Occidental will take on the responsibility of selecting, hiring and overseeing a firm that will perform the RD/RA. If this is the outcome, Occidental would be willing to conduct the RD/RA consistent with the ROD generally; however, prior to entering into any consent arrangement, Occidental will need to discuss with EPA several specific and substantial concerns with the ROD, the proposed Consent Decree and the

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proposed Administrative Order. Several of Occidental's major concerns are discussed below under numbers 3 and 4.

2. If negotiations with the other PRPs are successful, Occidental expects to hire a qualified firm to oversee the performance of the RD/RA. Occidental is requesting proposals for the work from several qualified firms. BCM Engineers Inc. will be retained throughout the RD phase to assist in its preparation.

3. In accordance with U.S. v. Rohm and Haas Company, 2 F.3d 1265 (3rd Cir. 1993) (from which a petition for certiorari has not been filed), Occidental takes the position that any EPA oversight costs expended by EPA in conjunction with the RD/RA are not "response costs" as defined by CERCLA, and, therefore, EPA has no right to their reimbursement. As a result, Occidental is not willing to reimburse those costs.

4. Occidental provides the following comments with respect to the proposed Consent Decree ("CD") and the proposed Administrative Order ("AO"). These comments are not preclusive of other comments Occidental will raise in negotiations.

a. Occidental will not pay oversight costs for the RD/RA (CD, pp. 6,12,14-15, 48-53). See number 3 above.

b. Occidental believes that the two sets of Stipulated Penalties (CD, p. 66 and AO, p.7) are excessive and apply to an overly broad set of violations. Occidental also believes that stipulated penalties should not continue to accrue during any dispute resolution period with respect to which Occidental raises a dispute in good faith.

c. Occidental would like to have addressed in a "Technical Appendix" (or "Performance Standards Appendix") to the Consent Decree a resolution to several issues Occidental has raised with respect to the ROD, as follows:

(1) Because the groundwater at the Site that will require remediation contains TCE at very low levels generally, and because multiple wells will provide groundwater concurrently to the treatment system, the treated groundwater will have very low concentrations of TCE. Accordingly, the groundwater design and operational standards listed at pages 68-69 of the ROD are potentially excessive. Occidental requests that reasonable design and operational requirements be negotiated into a Technical Appendix.

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(2) Occidental requests clarification in a Technical Appendix that following removal of residual PVC material from the lagoons, Occidental will (a) analyze soil samples from beneath the lagoons for organic chemicals of concern, (b) as necessary, determine appropriate background concentrations of these chemicals in the floodplain, and (c) develop a soil excavation plan based on the results of the analysis of soil samples and determination of background levels.

(3) Occidental requests that a Technical Appendix build in a flexible approach to the scheduling of the recycling of non-hazardous residual PVC material from the earthen lagoons to take into account the uncertainty of the market for purchase of the recycled materials.

(4) Occidental requests that a Technical Appendix include specific design standards for a groundwater remediation performance monitoring program and for an air stripper.

(5) Occidental request that a Technical Appendix contain specific parameters of investigation for the ecological investigation identified in the ROD.

d. Occidental disagrees with the notion that EPA should have discretion to determine that additional response actions (CD, p.25) are necessary to meet the Performance Standards or to carry-out the remedy selected in the ROD. Occidental requests the right to reject additional response actions, subject to EPA's right to perform the response action itself.

e. Occidental will not agree to a Consent Decree specifying a payment by Federal Agencies without enforceable contractual assurances that the funds will actually be delivered. (CD, p. 54).

f. Occidental requests a Force Majeure definition (CD, p. 57) that applies to any event arising from causes "beyond the control of Occidental" rather than "beyond the control of each and every Settling Defendant."

5. I will represent Occidental in negotiations for a Consent Decree and will be joined by John Wheeler, Esquire of Occidental's legal staff, Alan Weston, Ph.D. of Occidental and Dan Erdman of BCM Engineers, Inc. Communications should be directed to me at:

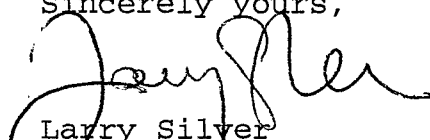
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Linda R. Dietz
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Duane, Morris and Heckscher
One Liberty Place
Philadelphia, PA 19103
(215) 979-1825
(215) 979-1020 (fax)

Please call me with any questions.

Sincerely yours,



Larry Silver
for DUANE, MORRIS & HECKSCHER

LDS:js

cc: Rodney Carter, Esquire (via telecopier)
WP3:[ADM.LDS.POTTSTOW]DIETZ.LTR;1

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